

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 740 - SB 1164

March 11, 2017

SUMMARY OF BILL: Requires the dual enrollment grant (DEG) award to be in the amount of \$500 for each of the first four courses taken. Authorizes the Tennessee Student Assistance Corporation (TSAC) to determine the DEG for the fifth through eighth courses taken. Requires the cost for courses five through eight to not exceed the cost per credit hour of courses taken at community colleges in the state university and community college system.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**\$2,473,200/FY17-18/Lottery for Education Account
Exceeds \$2,473,200/FY18-19 and Subsequent Years/
Lottery for Education Account**

Other Fiscal Impact – Funding in an amount of \$2,473,200 in FY17-18 and an amount exceeding \$2,473,200 in FY18-19 and subsequent years will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account as a result of students receiving an increased dual enrollment grant.

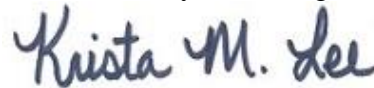
Assumptions:

- The current DEG award amount is \$500 for the first two courses; \$200 for the third course; and no award is given to students taking a fourth course.
- DEG students that are enrolled at Tennessee College of Applied Technology (TCAT) campuses are receiving the award amount of \$200.
- Students will be awarded \$500 per course for the first four courses taken upon passage of the proposed legislation in FY17-18.
- Based on the information provided by TSAC, it is estimated that 2,803 DEG students will take a third course and would receive an additional \$300 to their award amount as a result of this bill.
- The increase in state expenditures from the Lottery for Education Account (LFEA) for these DEG students taking a third course in FY17-18 is estimated to be \$840,900 (2,803 students x \$300).

- Based on information provided by TSAC, It is estimated that 3,071 DEG students will take a fourth course and will receive a \$500 DEG award.
- The increase in state expenditures from the LFEA for DEG students taking a fourth course in FY17-18 is estimated to be \$1,535,500 (3,071 students x \$500).
- Based on the information provided by TSAC, It is estimated that 484 TCAT students would be eligible for an additional award amount of \$200.
- The increase in state expenditures from the LFEA for TCAT students receiving the DEG is estimated to be \$96,800 (484 students x \$200) in FY17-18.
- The total increase in state expenditures from the LFEA is estimated to be \$2,473,200 (\$840,900 + \$1,535,500 + \$96,800) in FY17-18.
- The increase in state expenditures from the LFEA in FY18-19 and subsequent years is estimated to exceed \$2,473,200.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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